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TO: Sonya Rush (PM)

DATE: October 24, 1996

FROM: Dan Comenduley (PM)

SUBJECT: Virginia Slims Continuity - Final Report

Background and Purpose

The following is the final report for the Virginia Slims continuity responder research. The objective of this research was to understand why responders to past V-Wear catalog programs have not been responding to recent V-Wear catalog programs.

Methodology

A total of four focus groups were conducted on Thursday, September 12th in Chicago, Illinois who were screened based on having responded to one V-Wear catalog offer prior to June 1995. Three of the focus groups were conducted among female Virginia Slims smokers (one among 25-34 year olds, one among 35-44 year olds, and one among 35-54 year olds). One focus group was conducted among competitive smokers (25-54 year olds).

Summary

Virginia Slims smokers ages 35+ were likely to say they had not redeemed UPCs for V-Wear items because the overall look of the catalogs prompted images of young adult smokers and trendy lifestyles - images not relevant to them. However, these smokers continue to save UPCs anticipating future catalog items that will interest them. Many of these smokers expressed an interest in household items and leather goods as well as clothing in classic styling and basic colors (such as black).

Virginia Slims smokers ages 25-34 tended to point to fulfillment issues as the primary reason for discontinuing catalog participation. While these smokers responded favorably to V-Wear merchandise, noting imagery consistent with their perceptions of themselves and their brand, some have discontinued saving UPCs because of their initial negative experiences with V-Wear programs. To renew interest in V-Wear programs, these smokers suggested that a mailing - including assurances that previous program problems have been corrected and perhaps some bonus UPCs - would be appealing.

Competitive smokers previously saved for specific items, but indicated that coupons will likely influence purchase more than participation in a continuity program.

Within these samples, the average 35+ Virginia Slims smoker has saved 930 UPCs, waiting for future items, while, of those who have continued to save, the average Virginia Slims smoker 25-34 has saved 265 UPCs.

Expanding the time frame of the program to one year appealed to women smokers across these groups, allowing additional time to save UPCs for more higher end items. These smokers did not feel that a year long catalog would conflict with a focus on fashion. Furthermore, many Virginia Slims smokers requested a reminder mailing featuring selected items. Virginia Slims smokers look forward to Virginia Slims mailings (and coupons).

Overall, women smokers within these groups responded favorably to the animal print theme for the Spring 1997 V-Wear catalog since the colors were described as more subdued. Items such as the canvas bag, mesh tote, and suede jacket appealed to many.

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Detailed Summary of Findings

Attitudes Toward Direct Mail

Many of the women smokers ages 35+ commented that they routinely look at catalogs for housewares, kitchen gadgets, books, and gift items while many of the women smokers ages 25-34 noted that fashion or clothing are of interest to them.

Many of the Virginia Slims smokers noted that they expect that coupons will be included within direct mail, especially for cigarette brands. Additionally, interest in sweepstakes varied across all groups.

Response to V-Wear

Virginia Slims Smokers Ages 35+

The overall imagery currently associated with the V-Wear catalog appears to have inhibited UPC redemption among Virginia Slims smokers 35+ within this sample. The V-Wear catalogs were viewed as "for women in their twenties", given the overall look of the catalogs, the styling of the clothes and accessories, and the colors used. Many women commented that the catalogs seem to focus on clothing and accessories, reinforcing the image that V-Wear is for young adult smokers.

After reviewing the catalogs from the Spring 1995 through Fall 1996, Virginia Slims smokers ages 35+ noted the following:

- The colors of the clothing and accessory items were "too bright" and the items were "flashy"
- The styling of the clothes were suitable for women smokers in their twenties
- Jewelry and accessories appear to be of low quality or appropriate only for women smokers in their twenties
- Personal care items were uninteresting

When shown some of the actual items from previous catalogs, several items were viewed as better than expected, including the sweater set, white blouse, black tunic, black wool coat, and black satin jacket. Other items were "not really good quality", such as anything vinyl, bangles, and purses. When asked to suggest types of items which would be of interest, these smokers tended to focus on home, leather goods, and clothing in basic colors and styles.

Within this sample, Virginia Slims smokers ages 35+ continue to collect Virginia Slims UPCs, many having over 300 UPCs and several having between 1,000 and 3,000 UPCs. These smokers continue to collect UPCs hoping that future V-Wear catalogs will include something that they want to own. Most of these smokers are quite familiar with the range of offerings within recent catalogs.

Many of these Virginia Slims smokers assign value to Virginia Slims UPCs. There is a feeling that given the time and effort required to save, UPCs should not be "wasted" on items of limited interest. Some commented that the relative value of low end items made these offers less appealing.

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Virginia Slims Smokers Ages 25-34

Virginia Slims smokers ages 25-34 tended to respond favorably to the imagery and types of items featured within V-Wear catalogs; however, they have not recently redeemed UPCs because of fulfillment issues including the following:

- Waiting an extensive amount of time to receive merchandise
- Notification that an item was no longer available, after waiting longer than the anticipated eight to ten weeks for delivery
- Receiving a t-shirt as a replacement item, because the ordered item was no longer available

To these women smokers, the imagery communicated by the V-Wear catalog included:

- Stylish, hip
- 90's stuff
- Upbeat, fun

A couple of these women have continued to save UPCs, collecting anywhere from a few UPCs (30 UPCs) to many UPCs (over 500 UPCs). Others have stopped collecting UPCs, given their prior experience with the V-Wear program. When asked to consider what would prompt them to return to redeeming UPCs for V-Wear items, these women focused on wanting assurances that the items ordered would arrive on a timely basis and receiving 20 UPCs to get them started.

In addition, these women wanted to be notified of out of stock problems.

Competitive Smokers

Competitive smokers who have Virginia Slims within their consideration set noted that Virginia Slims coupons are likely to prompt purchase (perhaps more so than participation in continuity programs) and stated that they are likely to use Virginia Slims coupons received in the mail.

Competitive smokers' response to the V-Wear catalogs and merchandise paralleled comments expressed by Virginia Slims smokers, with older competitive smokers noting that the colors and styles do not fit their style and younger competitive smokers felt V-Wear offers appealing clothing and accessories in up to date fashion.

Competitive smokers tended to feel that they may be able to attain only lower end items and "would never be able to get any of the really good stuff".

Program Timing

Many Virginia Slims smokers were aware that V-Wear catalogs are currently twice a year, however younger adult Virginia Slims and competitive smokers seemed less certain about program time frames or the existence of an expiration date.

While Virginia Slims smokers appreciate receiving catalog mailings twice a year, many felt that expanding the time frame would provide them with the opportunity to see "all the items offered for the year" in order to determine what they want and to reach that goal.

Given experience with previous V-Wear catalogs, Virginia Slims and competitive smokers are aware that V-Wear is linked with seasonal fashions. However, these smokers agreed that a one year catalog could provide clothing and accessories across seasons, without impacting on perceptions of the Virginia Slims image. While a one year expiration date for each V-Wear catalog was requested, many felt that V-Wear mailings should be provided at least twice a year to prompt continued interest in the program.

Clothing Sizing

Many of these adult women smokers' perceptions of the sizing of the clothes limited interest in ordering, commenting such as:

- Items would likely be cut small because of the overall imagery of the brand
- Women who wear larger size clothing would not be able to wear any of the clothes, given the size ranges offered

Those who have successfully ordered clothing through the mail tended to have learned how clothes from a specific catalog fit. In addition, some of these smokers noted:

- Every manufacturer "is cut differently"
- "There are no guarantees when it comes to fit"
- A woman's figure does not always fit with the size chart

Response to Spring 1997 Items

Overall, these women smokers responded quite favorably to the Spring 1997 items, noting that the colors appear to be more "subdued" and therefore more appealing than the types of colors used in previous V-Wear catalogs. Some women smokers within this sample described the imagery communicated by these items as appealing to a range of adult women's ages, consistent with their image of Virginia Slims. Some noted that the colors evoke a more "sophisticated" or "classic" image than previous catalogs.

Animal prints were viewed as acceptable to many, especially as used within these items. Several of the items routinely prompted most interest were the canvas bag, the mesh tote, and the suede jacket.

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